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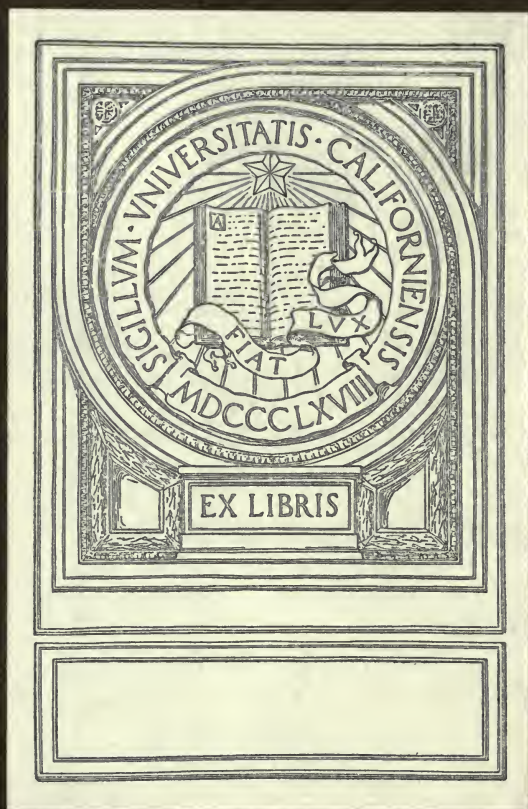
1838

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[*To Mr.*

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PROCEEDINGS

OF THE

WESTERN RAIL-ROAD CORPORATION,

DECEMBER 12, 1838;

INCLUDING AN

ADDRESS TO THE PEOPLE

OF THE

Commonwealth of Massachusetts,

ON THE APPLICATION FOR

AN ADDITIONAL LOAN

OF THE

STATE CREDIT.



BOSTON:
JAMES MUNROE AND COMPANY.
1838.

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1838

TUTTLE, DENNETT AND CHISHOLM, PRINTERS,
No. 17 School Street.

TO THE
LIBRARY

WESTERN RAIL-ROAD CORPORATION.

At a special meeting of the Western Rail-road Corporation, held in Boston, December 12, 1838, and very numerous attended from all parts of the Commonwealth,

The President and Directors were instructed to apply to the Legislature, at its next session, for a loan of the credit of the State to the Western Rail Road Corporation, for a sum sufficient to complete and put the road in full operation, not exceeding the sum of Fifteen Hundred Thousand Dollars; by a State Stock, expressed in the money of Great Britain, having thirty years to run, bearing interest at five per cent. per annum, semi-annually; — principal and interest payable in London, to bearer, with interest warrants attached.

Ordered, That a Committee of fortyseven, to be nominated by the President, be appointed to aid the President and Directors, in their application to the Legislature for a loan of the credit of the State, as expressed in the preceding vote; with power to enlarge their number.

The following persons were accordingly nominated and appointed members of said Committee.

Francis Jackson, <i>Chairman</i> .	Henry Stearns, of <i>Springfield</i> ,
Amos Binney,	Charles Henshaw,
Bodwell Sargent,	Samuel Greele,
David A. Simmons,	Henry Rice,
William Lawrence,	Chas. Grennell, of <i>N. Bedford</i> ,
Francis J. Oliver,	William Beach, of <i>Gloucester</i> ,
William Thomas,	Benj. Butman, of <i>Worcester</i> ,
P. P. F. Degrand,	Daniel Hammond,
William Savage,	George Darracott,
Thomas J. Lobdell,	Chas. Stearns, of <i>Springfield</i> ,
Charles Wilkins,	Joel Norcross, of <i>Monson</i> ,
Samuel Quincy,	Nathaniel F. Ames,
Nathaniel Hammond,	Joseph T. Adams,
James Boyd,	Charles P. Curtis,

Julius Rockwell, of <i>Pittsfield</i> ,	David Taylor, of <i>Lynn</i> ,
S. O. Russell, of <i>Springfield</i> ,	T. Sedgwick, of <i>Stockbridge</i> ,
Joshua Crane,	Francis Howe, of <i>Brookfield</i> ,
Nathan Appleton,	William G. Bates, of <i>Westfield</i> ,
C. Rice, of <i>West Springfield</i> ,	Elijah Cobb,
George H. Kuhn,	George W. Pratt,
Henry Edwards,	George Colton,
Benjamin Stevens,	James Savage,
Albert Fearing,	Lot Pool.
Wm. Wyman, of <i>Charlestown</i> ,	

P. P. F. Degrand, Esq., submitted the following draft of an Address to the people of the Commonwealth of Massachusetts.

ADDRESS.

To the People of the Commonwealth of Massachusetts :

FELLOW CITIZENS,

At a legal meeting of the Stockholders of the WESTERN RAIL-ROAD, duly notified in the newspapers, and very fully attended, from all parts of the State, and held at Boston, at the Old Common Council Room, on Wednesday evening, Nov. 28, 1838, the following vote was adopted by an overwhelming majority, viz. :

Ordered, That the President and Directors of the Western Rail-road Corporation be, and they are hereby required and enjoined, to apply to the Legislature of this Commonwealth, at their next Session, for a loan of the credit of the State, to the Western Rail-road Corporation, for a sum sufficient to complete and put the road in full operation, not exceeding \$1,500,000, by a State Stock, which may be expressed in the money of Great Britain, having thirty years to run, bearing interest at five per cent. per annum, semi-annually ;—principal and interest payable in London, to bearer, with warrants for the interest.

At the same meeting, it was resolved to submit to you some of the reasons which make it for the interest of the people of Massachusetts that this plan should be adopted: and after mature consideration, the Stockholders determined to submit, to you, the

following statement of facts and conclusions naturally arising from these facts.

FELLOW CITIZENS,

Thanks to the enlightened public spirit of the Legislature of Massachusetts, for 1838, — the Western Rail-road, — that great work which is destined to restore to our Commonwealth her wonted rank, among the first States, in the Union, — has been progressing, since the last Session, with unexampled rapidity and with the greatest economy — the very money spent in its construction, furnishing sustenance to a great mass of industrious men, many of whom, but for this, would have been out of employ, — and enriching, by its disbursements, the country through which it passes, — as well as augmenting the active capital of the State. The magic power of the credit of Massachusetts, has not only served to draw from abroad, at a low rate of interest, all the money thus spent, but it has, also, by furnishing a large amount of exchange on London, — equal to specie, — had a direct tendency to protect our banks, against any demand for specie. By inspiring a general tone of confidence, it has greatly assisted these banks in resuming specie payments long before the period prescribed by the Legislature, without causing that degree of pressure, which greater curtailments would necessarily have produced. Thus has the wisdom of the Legislature of Massachusetts given very important aid, in bringing about, — in fifteen short months, and with comparatively trifling sacrifice, — that great financial change, (the resumption of specie payments,) which Great Britain herself was twentyfive long years in accomplishing: and which she only accomplished, after the prostration, several times repeated, of whole masses of her most industrious, most enterprising, and most useful citizens. What a proud trophy this for the people of the Bay State!

FELLOW CITIZENS,

It is now placed beyond all doubt, that the Sinking Fund, which (agreeably to the provisions of the Act of 1838,) is provided by the Western Rail-road, will exceed, in amount, the anticipations of the friends of the Law, and will be fully adequate to

extinguish, before maturity, the full amount of the State Stock, loaned by Massachusetts to the Western Rail-road under that Act.

The character of Massachusetts, long advantageously known in Europe ;—the *Statistical Tables* of the \$80,000,000 annual product of our industry, which the foresight of our Legislature had caused to be prepared, and which the Directors of the Western Rail-road failed not to forward to London ;—the advantageous and convenient shape, which a wise legislation has given to the Stock itself, have procured, for the Western Rail-road Loan, the highest price, in the London market, of any loan, of any date, of any kind, by any individual, or corporation, or State, — on the whole American Continent. The Stock, thus far disposed of (being all that had been received in London,) has been sold at a premium which (added to the premium on the exchange,) will create, at once, a Sinking Fund of 11 per cent., to be paid over to the Treasurer of the Commonwealth, and to be by him invested : — and this is five per cent. more than the friends of the Law had calculated upon as the basis, — while advocating the passage of the Act.

FELLOW CITIZENS,

Before the close of next summer, the Western Rail-road will be in full operation to Springfield. The most difficult part of the road west of Connecticut River, being that part which it would take the longest time to construct, has (agreeably to a wise provision of the Law,) been attended to, with unceasing industry, and upon it as many men have been constantly employed, as could possibly work to any advantage. Our neighbors of the State of New York have already constructed a link, for our road, from the Western limit of our State, to Hudson, on the Hudson River, on the line of Rail-roads, which is partly already finished, and partly in construction, and which, at no distant day, will carry us to the interminable web of Rail-roads, now preparing for our reception in the Great West : and also carry us to the 25,000 miles of navigation on our inland seas, and our boundless rivers and canals, in the great Valley of the Mississippi. All these advantages we shall secure, by completing our Western Rail-road, which is only 116 miles in length ! !

FELLOW CITIZENS,

Much has been done, and been well done, towards uniting our Commonwealth with the great Western World : — and it now remains to search out and to point out what future course will most promote this great object.

It cannot be denied that a Rail-road saves three fourths of the labor, and of the expense of transporting burthens, and of transporting persons, — taking into view the great saving of time. At a low estimate, it is calculated that this expense (of transportation and travel) for the whole Commonwealth, exceeds \$16,000,000 annually ; — admitting, therefore, the capacity of a saving of \$12,000,000 per annum. Is it not, then, most clearly, for the public interest, that this wasteful expenditure of three fourths of the enormous sum, paid by our people, for transporting burthens, and for transporting persons, — should be at an end, as quickly as possible, as to every inhabitant of every foot of our soil? *Every month's delay is a shameful waste of \$1,000,000 ! The Western Rail-road, in continuation of the Worcester Rail-road, is the great backbone of the system, which will expel from every section of our territory, this vast, and needless, and wasteful expenditure.* IT IS, THEREFORE, FOR THE PUBLIC INTEREST, THAT THE WESTERN RAIL-ROAD SHOULD BE FINISHED, AND BE IN ACTUAL OPERATION, WITH AS LITTLE DELAY AS THE NATURE OF THE COUNTRY WILL PERMIT. LET US RESOLVE THAT THIS SHALL BE DONE, *and let us soberly look to the actual practical means, within our reach, to carry our purpose, unerringly, into effect.*

FELLOW CITIZENS,

After expending the whole amount of the loan, furnished by the State, under the Act of 1838, the Western Rail-road will still want \$1,500,000 to complete it to the State line, and to furnish it with depots, and cars, and locomotives. If the State of Massachusetts should, at once, decide, that they will issue, as wanted, their Stock to that amount, and for that purpose, under the like safe and salutary provisions, which guarded the Act of 1838, — THIS SIMPLE DECISION, INVOLVING NO RISK TO THE STATE, WILL SOLVE, AT ONCE, THE WHOLE PROBLEM, AND WILL

CAUSE THE ROAD TO BE FINISHED, AND TO BE CARRIED INTO FULL OPERATION, IN THE SHORTEST POSSIBLE TIME, AND WITH THE BEST ECONOMY.

That there will be *no additional risk* to the State, from making *this additional loan*, is very clear; because, from the very wording of the Act, and from the very nature of the case, *every dollar of this additional money must be expended* TO INCREASE, *to that full amount*, THE VALUE OF THE PROPERTY, pledged to the State, viz.: The whole Rail-road, and its whole property and apparatus, and its franchise and revenue, as prescribed by the Act of 1838.

Neither can there be any doubt of the success and good net revenue of this great work. Like the New York Grand Canal, it leads to the Great West; — and we all know that this Canal paid for itself (principal and interest,) in 12 short years, and gives, since that time, \$1,000,000 net annual revenue to the Treasury of the State. Like the Pennsylvania chain of Canals and Rail-roads, it leads to the Great West; — and it has been officially announced, by the Chief Magistrate of that great State, that these great works, which had to surmount, and even to tunnel, the Alleghany Mountains, — although they cost \$20,000,000, — will soon pay for themselves, and then bring in, every year, several millions, net revenue, to their Public Treasury.

FELLOW CITIZENS,

Should Massachusetts decide not to put her shoulder to the wheel, at the January Session of 1839, the Directors of the Western Rail-road will naturally slacken their onward march, and (even if the proposed aid should be obtained, at the January Session of 1840,) the Western Rail-road will not be in full operation, on the whole line, so soon, by, at least, six months.

This delay, of six months, naturally produces loss, as follows :

Six months interest on a large portion of the \$3,000,000 invested.

Six months loss of time, in ultimately completing the Rail-road system of the whole Commonwealth; which loss of time will be a waste, for six months longer of three fourths of the labor and expense now paid for transporting burdens and persons.

Six months delay in the creation of a very large amount,

being the *additional value*, given to the land and other property in Massachusetts by the Rail-road system ; say six months interest, on said additional value.

Six months delay in ceasing to pay commissions and other charges, which we now pay on a large amount of the products of our industry, to New York, Philadelphia, Baltimore, and New Orleans.

Thus occasioning, by this six months delay, a loss far exceeding the whole amount of aid now applied for.

On reflection it will be perceived that this issue of Stock for \$1,500,000, is only the issue (on good security) of a guarantee, by each inhabitant of Massachusetts to the amount of \$2 per head. IS THERE A MAN OF COMMON SENSE, WHO, BENT UPON A GREAT PURPOSE, WILL THINK OF STOPPING, EVEN FOR AN INSTANT, FOR SUCH A TRIFLE ?

FELLOW CITIZENS,

Every one will see, at a glance, that there is an economy of at least 3 per cent. per annum, in employing money borrowed on the credit of the State, at less than 5 per cent. interest per annum, instead of investing, in fixed property, the active money of active business men, to whom active money is worth, at least, 8 per cent. a year.—A saving of 3 per cent. per annum, for 30 years, amounts to 90 per cent. besides the accumulating and compound interest, on the 3 per cent. saved, every year. Will a calculating people think proper to throw away this great saving by rejecting the present plan ?

FELLOW CITIZENS,

Should the State decide that they will not assist the Road—and thus decide in 1840, as well as in 1839,—the Stockholders will naturally conclude that this decision is contrary to the public interest and contrary to the spirit of the age ; and will be compelled again to present their views, for the consideration of the Legislature, in 1841. Hence, a delay of another year—and a public loss of a *very large sum* ; to be added to the public loss, occasioned by the delay of the preceding six months.

If, by the want of early forecast, the \$100,000,000 *additional*

value, ascertained to have been given, by the New York Erie Canal, to the Real Estate of the State of New York, had been created 12 years later,—by the Canal being finished 12 years later,—there would have been a loss of 12 years compound interest, upon the said \$100,000,000. *In other words there would have been AN ACTUAL LOSS OF ONE HUNDRED MILLIONS OF DOLLARS, merely by the delay of said twelve years !*

FELLOW CITIZENS,

The act of 1838, grants, to the Western Rail-road, the loan of the credit of the State, for \$2,100,000

The present application is for the loan of this same credit, for 1,500,000

Thus, on a property which cost \$4,500,000, it will be a loan of \$3,600,000

Of this amount there is applicable to the one third of the stock of the Western Rail-road which is held by the State itself, for its own account, 1,200,000

And applicable to the Stock held by the Private Stockholders, \$2,400,000

While the Private Stockholders will have paid 600,000

As regards the Private Stockholders, it is therefore the loan of a credit for \$2,400,000, upon good property, which actually cost in cash, well spent, \$3,000,000

In other words, it will be a loan of the credit of the State for 80 per cent. on the Stock of a Rail-road, built in the best style, in the most economical manner, and on a line of travel, which cannot fail of success. **IT IS CONSEQUENTLY A LOAN OF THE SAFEST CHARACTER.** Our most retired and prudent loaners are content to lend 90 per cent. on the stock of the Boston and Lowell Rail-road, or of the Boston and Providence Rail-road, or of the Boston and Worcester Rail-road. In making the proposed loan of its credit, the State itself being the owner of one third of the stock, is the gainer of a very large amount even as a simple Stockholder.

FELLOW CITIZENS,

It is well known, that motives of public interest produced the individual subscription, to the Western Rail-road. The change of times has deprived these subscribers of the very means which their chivalry prompted them thus to appropriate, to the carrying on of a work, which is in fact a State work; and to the like of which, — in New York, and Pennsylvania, and other States,—the Public Purse, and the Public Credit have been devoted, to the full amount required — and with a success, surpassing the most sanguine anticipations.

The Stockholders of the Western Rail-road have, by the calamities of the last 3 years, lost upwards of \$20,000,000. Will the State insist, that they shall now, (after all their losses) go on and actually furnish cash capital for a work, which, from the very outset, was, in fact, *a State work*? and which should from the very beginning to the very end, have been done, for the Public Good, by the Public Purse and by the Public Credit? Is it good policy to diminish (by this investment of private funds) the shattered remains of the private active means of the whole mass of industrious men? Does not the good of the community imperatively demand that these active means should be wholly devoted to the current, reviving, general, active business?

FELLOW CITIZENS,

Massachusetts has only 7,800 square miles, while it contains upwards of 700,000 inhabitants. Its territory is very small, compared to its population and to the products of its industry. It is therefore peculiarly favorable, for a system of Rail-roads, pervading every portion of its soil; because such a system can be carried to completion, at but little cost, when compared with other States, and when compared with her resources and with the great results to be obtained.

FELLOW CITIZENS,

Will Massachusetts discard her own system? From her earliest settlement, her public roads have been considered a public concern, to be carried on at public expense. She has

deemed it a duty, to provide her whole territory, with the best roads extant; gradually improving these roads, as the science of road-making advanced. This system has raised her fame and has been found eminently for her interest. By pursuing it, she has (as compared with many other States) saved her citizens half the expense of transporting burdens and of transporting persons. Will she now shrink, from continuing to perfect this system by placing herself upon a par with the light of the age? Will she deny, to herself the pleasure, the advantage, of saving, to her citizens, three fourths of the expense, now yet remaining; and of saving the present road-tax, as to the wear and tear of common roads, produced by the transportation of the immense quantity of goods and of passengers, for which Rail-roads are preferred the very moment they are built? Will Massachusetts deny herself the pleasure and the advantage of obtaining this great result, as quickly as practicable? Will she allow herself to linger in the rear of this eventful age?

FELLOW CITIZENS,

Let us now consider the wonderful effects of Rail-roads in time of war. During the late war, with Great Britain, Castine (which then formed a part of the State of Massachusetts) was taken possession of, by the enemy. The enemy took possession of it and kept possession of it, with a trifling force. Thus it was, *simply for the want of Rail-roads*. A general web of Rail-roads would have given to Castine, the almost instantaneous command of an overwhelming force, and caused its evacuation; or rather, the very knowledge of this power of concentration of an overwhelming force would have prevented the attack altogether; thus saving, to our brave people, the disgrace of yielding, to the enemy, quiet possession of our soil; thus saving also all expense of blood or treasure. We say of blood; because the system of Rail-roads would prevent the attack. We say of treasure; because the peaceful pursuits, on a Rail-road, pay for its cost.

Had the city of Washington, during the war of 1812-15, possessed the power of concentration of force, now furnished by the Philadelphia and Baltimore Rail-road, and by the Baltimore and Ohio Rail-road and its Washington Branch, the enemy

would not have dared there to pollute the American soil, and would have been spared the disgrace of burning the Capitol and the Public Library, and the defenceless mansion of the President ; —neither would Alexandria have been taken and our ships destroyed ;—nor the Navy Yard at Washington have been burnt ;—nor would Baltimore have had to fire a gun, in her own defence, or had to mourn over the loss of some of her best and bravest citizens.

Had New Orleans possessed the power of concentration of force, which is now furnished by the steam navigation, on the Mississippi, the enemy would beforehand, have perceived the folly of attacking such a formidable force, and would not even have made the attempt.

Thus it is, that Massachusetts can, by a web of Rail-roads, fulfil in the best, the most scientific, the most efficient, and the cheapest mode, the duty, incumbent upon her, of furnishing a perfect defence for every portion of our State. Of this web of Rail-roads, the Western Rail-road is the base, as (with the Worcester Rail-road) it traverses the whole length of our State, from the capital to its western limit—breaking asunder the mountains, filling up the valleys, and crossing the rivers ; and furnishing the best means of having (on each side of the Road, and on the sea-board) other Rail-roads, on a comparatively flat country, at a comparatively small expense.

In case of war and consequent interruption of our coasting trade, the Western Rail-road will place within our reach our best market for the products of our industry, and will enable us to obtain (free of war-risk and of war premium of insurance) the sugar and the cotton of Louisiana and the flour of Ohio ;—articles which (owing to the war-risk) reached, here, during the last war, with Great Britain, the following prices :

Sugar,	-	-	-	\$30 00	per 112 lbs.
Cotton,	-	-	-	45 cts.	per lb.
Flour,	-	-	-	20 00	per barrel ;

while these very articles, at the places of their growth, were equally depressed below their proper value.

FELLOW CITIZENS :

Five years and a half have already elapsed, since the granting of the Charter of the Western Rail-road. Why this long delay? Why have we thus wasted nearly double the time originally necessary to finish this great work? Has it not most assuredly been, for the want of an earlier application of the credit of the State? Had this credit been granted, the very day the charter was given, we should, long ere this, have been enabled to use the whole road. Let the consequences of our past neglect light up our future path. *To carry the Western Rail Road to completion, as rapidly as possible, it now only requires the loan (on abundant security) of the Credit of the State, for \$1,500,000 ; being only \$2 for each inhabitant of our Commonwealth.* Shall posterity tell, and justly tell, that we were arrested, by such a trifle, while earnestly bent on securing a sure defence, without cost, for our State ; while earnestly bent on securing, both in peace and in war, our full share of the immense trade of the largest body of the richest land in the known world ;—of a body of land, destined, at no distant time, to contain more inhabitants and to bring forth more of the products of the earth, than the whole of the Atlantic States? Or shall we,—the people of Massachusetts of the present day,—be classed, and justly classed, in all future ages, among the greatest benefactors of our beloved Commonwealth, by making, at once, the great invention of the age, tributary to our present and future welfare, to the full extent in our power ;—as we are accustomed to do with every labor-saving machine, and with every new and useful invention ?

Read and adopted.

Ordered, That the Treasurer of the Corporation, for the time being, under the order of the Board of Directors, be authorized to execute, in the name of the Corporation, such securities as may be necessary for any loan or loans, which the Commonwealth of Massachusetts may grant to the Corporation, of their credit, by proper instruments,—and to re-affirm as to this new loan, the pledge of collateral security therefor, of the franchise

of the Corporation, together with the Road and its appurtenances, including all additions made to the same, after such pledges shall be given.

Ordered, That the proceedings of this meeting, including the address now adopted by the Stockholders, be certified by the President and Clerk of the Corporation, and a copy thereof be forwarded, by the Clerk, to the Governor and to the Lieutenant Governor of the Commonwealth, to each Counsellor, Senator, and member of the House of Representatives, and to each Stockholder.

THOMAS B. WALES, *President*.

ELLIS GRAY LORING, *Clerk*.

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